REMARKS/ARGUMENTS

Claims 1, 2 and 5 through 15 are pending in the application, and claims 1, 2, and 5 through 15 are currently amended as detailed above. Claims 3 and 4 have been canceled, and claims 16 through 29 have been withdrawn from prosecution.

Restriction Requirement:

The Patent Office has issued a restriction requirement under 35 U.S.C. § 121. Group I includes claims 1-15, Group II includes claims 16-20, Group III includes claims 21 and 22, and Group IV includes claims 23-29. On April 17, 2008, Applicant's attorney provisionally elected the prosecution of Group I with traverse. The provisional election is hereby affirmed, and the claims forming Groups II, III, and IV are hereby withdrawn from prosecution in the current application.

Claim Objections:

The Patent Office objected to claims 1 and 6-10 and 15 for various informal reasons. The Applicant has made the appropriate amendments to the claims as suggested by the Patent Office.

Claim Rejections:

The Patent Office rejected claim 8 under 35 U.S.C. § 112, second paragraph, as allegedly being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. Claim 8 has been amended to recite in part, "encrypting n tracks of data records with n tracks of parallel encryption operation...", which the Applicant hereby respectfully submits renders claim 8 a definite recitation of the Applicant's invention.

The Patent Office further rejected claims 1-3 and 5-14 under 35 U.S.C. § 102(b)

as being allegedly anticipated by U.S. Patent No. 4,642,793 to Meaden. The Patent

Office further noted that dependent claim 4 would be in condition for allowance if

rewritten in independent form. As such, the limitations formerly recited in claims 3 and 4

have been incorporated into independent claims 1, 8, 10 and 15 such that the all of the

latter should now be in condition for allowance. As all of the currently pending

independent claims are in condition for allowance, the Applicant respectfully submits that

the remaining dependent claims should also be in condition for allowance.

Conclusion:

Claims 1, 2 and 5 through 15 are pending in the application, and claims 1, 2, and

5 through 15 are currently amended as detailed above. Claims 3 and 4 have been

cancelled and claims 16 through 29 have been withdrawn from prosecution. In view of

the current amendments and arguments presented above, the Applicant hereby

requests the allowance of the pending claims. However, should the Examiner have

any comments, the undersigned would welcome a telephone call in order to expedite

placement of the application into condition for allowance.

Respectfully submitted,

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10